

**FINANCE & FINANCIAL SERVICES
of the
Suffolk County Legislature**

Minutes

A regular meeting of the Finance & Financial Services Committee was held in the Rose Y. Caracappa Auditorium at the William Rogers Legislative Building, Veterans Memorial Highway, Smithtown, New York on **May 23, 2001**, at 9:30 a.m.

MEMBERS PRESENT:

Legislator Michael Caracciolo, Chairman
Legislator Maxine Postal, Vice Chair
Legislator Martin Haley
Legislator Cameron Alden
Legislator William Lindsay

ALSO PRESENT:

Paul Sabatino, Legislative Counsel
Todd Johnson, County Executive's Office
Terry Pearsall, Aide to Legislator Crecca
David Greene, Director of Labor Relations
Linda Burkhardt, Aide to Presiding Officer Paul Tonna
Phyllis Garbarino, President, AME
Fred Richmond, Counsel, AME
Ken Weiss, County Executive's Budget Office
Robert Draffin, Labor Relations
John Meyer, AME
Fred Pollert, Director of Budget Review
Jim Spero, Assistant Director of Budget Review
All Interested Parties

Minutes taken and transcribed by Irene Kulesa, Legislative Secretary

(The meeting came to order at 10:00 a.m.)

CHAIRMAN CARACCILO:

Good morning. We will convene the Finance Committee and we will start with a Pledge of Allegiance to be led by Legislator Lindsay.

SALUTATION

CHAIRMAN CARACCILO:

Is there anyone in the audience that would like to address the committee? I hear Senator Jeffers was interested in addressing the committee.

MR. GREENE:

You asked us to come in with this information.

CHAIRMAN CARACCILO:

Yes, yes. Do you have copies for us? Via the agenda, if you just give me a minute?

MS. GARBARINO:

If the County is addressing, I ask permission to respond.

MR. GREENE:

It's like reading a long novel. Go to the last page.

CHAIRMAN CARACCILO:

Okay.

MR. GREENE:

Is this on? Yes. It's like a long novel. At your pleasure, you can read all the arguments that were laid forth and the rationale from the arbitrator. But on page 13, the award is very simple. The County did not violate the contract by not slotting individuals promoted to or hired within the Forensic Sciences title series at the top of the salary chart and that as far as our office was concerned, resolved this issue. I've talked to the department. The Health Department says, at this point in time, they don't believe they have any problems in recruiting and retaining and they have means available if they run into that kind of problem. So they see no reason to address this issue at this point in time and I have to be guided by the needs of the department.

CHAIRMAN CARACCILO:

Mr. Greene, it's also my understanding based on the exchange at the last committee meeting that you also did not have a problem with exploring alternative resolutions outside of the realm of this arbitration decision?

MR. GREENE:

I agree with you but we've talked to the Department of Health and at this point in time, they feel there is no need to address the issue whatsoever. And it's very hard for us to move forward with a resolution when the department, which is the guiding force in this particular issue says they have no problems in recruiting and retention at this point in time. They don't see a difficulty right now. Maybe five years from now or three years from now, there may be at this point in time, they say they have the means available and they have no problem.

CHAIRMAN CARACCILO:

Well, those host statements run completely contrary to what testimony the committee heard at the last committee meeting. I'd like to give Ms. Garbarino an opportunity to respond.

MS. GARBARINO:

Okay. I apologize our Forensic Scientist, thank you. Our Forensic Scientist, I don't know if we told him to come back here right now. The Executive Vice President was trying to reach them. But I do know that they have had to have a sign off to hire a Forensic Scientist at top step after this arbitration decision. The testimony of the examiners themselves -- of the Scientist's themselves have laid claim to that and you heard from them the last time and they can reiterate on that. They would know the details of how long they had to wait and how difficult it is to fill that and they have hired at top step, which is presently step 12, in order to fill that position. They could not fill it without that agreement.

CHAIRMAN CARACCILO:

Okay. I see your Counsel has arrived. Did you want to make a statement, sir?

MR. RICHMOND:

Good morning, Fred Richmond, Solomon, Richmond & Greenberg, Counsel to AME. I'd just like to state -- I would just like to reiterate what Ms. Garbarino said in that, in fact, the department has hired at top step, which means that their Forensic Scientists currently who commence service with the County in the year 2000, four steps ahead of Forensic Scientists that have been promoted within the system and working for the County many years. So the theory that they don't need to do this anymore might look good on paper but in fact, isn't what exists. And that was the intent of your legislation, you addressed this issue in 1980 and the same condition exists today.

CHAIRMAN CARACCILO:

And in effect, there would be no precedent should there be a desire to return to a policy, a personnel policy, of taking into account the needs of those with qualifications such as those that were presented at the last committee meeting by the two representatives from Forensic Science. That you really need to be competitive and have a salary schedule that's consistent with private industry as well as other municipal employees who have positions like this.

MR. RICHMOND:

Yes, it would be acknowledgement of the policy that's existed from 1980 to 1998, nothing unique or different.

CHAIRMAN CARACCILO:

Thank you. Legislator Postal.

LEGISLATOR POSTAL:

The only question I had, I guess, was for Dave Greene. When we discussed this previously, if I remember correctly, there was information that -- I don't know whether this was the only one in 2000 or there were others. There were people who continued after that decision was rendered. There were people who continued to be hired at top step. Why didn't anything happen at that point?

MR. GREENE:

As I said, we talked to the department. We asked for guidance on the issue and their position. As I stated before and I believe I'm stating correctly at this point in time, they see no need to address this issue in a more formal manner. They have enough tools available to address this issue, in terms of hiring, recruiting and retention and they were not prepared at this point in time to make any adjustments. So it's very difficult for the Office of Labor Relations to enter into a solution to a problem that the department hasn't identified.

LEGISLATOR POSTAL:

What was the date of that arbitration decision?

MR. GREENE:

My eyes aren't --

LEGISLATOR POSTAL:

I understand.

CHAIRMAN CARACCILO:

November 17th, 1999.

LEGISLATOR POSTAL:

Ninety-nine.

MR. GREENE:

Ninety-nine and I had conversations with the department subsequent to the last meeting here and as I said their position has remained. They have the ability under current scheme of things to fill their needs in recruiting for these positions.

LEGISLATOR POSTAL:

But apparently there was somebody hired at step 12 in the Year 2000.

MR. GREENE:

Whatever will be but as I said they have the ability to hire in step, so they have the ability to adjust salaries based on needs. But they don't believe they need a formal policy, which requires that every Forensic Scientist come in at top step. They have that flexibility and they use that flexibility to meet the market demands.

LEGISLATOR POSTAL:

I don't understand why they have -- why the department has the flexibility. Why there's not a uniformity?

MR. GREENE:

I wish I could give you an answer but I'm not that intimately involved with the Health Department Forensic Scientist. You'd really have to ask the department to explain how they arrived at that decision.

LEGISLATOR POSTAL:

You know I understand what you're saying. I just think it really leaves the whole issue open to all kinds of abuse and favoritism and you know, I don't know what else.

MR. RICHMOND:

That was the issue I was going to address and in addition to that, the department is using resolution 1880 to this day when they want to use it. They are promoting people to step 7 or step 8. So they're using this resolution when they want to use it. But they don't want to implement it in its true impact what you really intended to do in 1980.

LEGISLATOR POSTAL:

Would -- Dave, I know obviously, you watch the people but what would -- I understand you're saying that it's up to the department. If the department can fill the positions and they don't have a problem filling them at entry level or lower levels, that there's no need to go beyond. But does the County Executive have a problem with establishing uniformity based on what exists?

MR. GREENE:

I think probably the most appropriate way to get an answer to that would be to have someone from the department come in and speak on this particular issue. As I say, we take guidance from them. There are times, what do they say, consistencies are hob gobble in small minds or sometimes consistencies works very well for us. But there are other times you need flexibility and I am loath to enforce, you know standardized process on a department that says that flexibility works well. I really think you should have someone from the department come in and speak on this issue at the appropriate time. And I think they'd be more -- well, they'd be better versed to answer all these questions as to hiring needs, difficulties in recruiting and retention and these other problems that flow from this kind of situation.

LEGISLATOR POSTAL:

I'm puzzled. Every department you're telling me should have this discretion.

MR. GREENE:

I didn't say that. I said we take guidance when these situations arise. You have some departments who may come forward and say listen; we need a uniform policy because we can't hire at a certain rate. We need higher rates across the board. We need some solutions to problems. Then you have other departments that say we have enough tools, enough weapons in our arsenal that we could meet these needs without a strict formal policy. So it varies from situation to situation, title to title department to department. So we take our guidance -- we take our lead on some of these issues, naturally from the department, which is the appointing authority and has the responsibility for the hiring, recruiting and retention.

CHAIRMAN CARACCILO:

Legislator Lindsay.

LEGISLATOR LINDSAY:

I'm just troubled by it and Mr. Greene; I think we should really take your suggestion and have someone from the department, because I'm troubled by what they're telling you and what we heard in testimony at our last hearing. It's certainly contradictory. Probably the thing that bothers me the most is that from what you described, we certainly could have a scenario where someone is hired at a higher step than existing employees in the department.

MS. GARBARINO:

We have that right now. That's what the problem is. Because then somebody when they -- after the arbitration, well actually before the arbitration when they started, that's what created the need for it where they hired people at step 7 as resolution 1880 stated. And then found the need a year later to hire somebody else who they couldn't bring in. They could not recruit anybody at that and they hired him at step 12. So you have some new employee who is step 12 when an employee who has several years on the books now, who is step 7 or 8. So they have created an inequity and that's what happens. That's what I wanted to elaborate on.

When the department, I think, the in step hiring process was meant to fill a sudden need. When you have a sudden vacancy and the market has changed out there and you can't fill it, so they find somebody very capable who needs a greater hiring salary. That was the purpose of the in step hiring. But it also takes a lot longer. So right now, if a department has a need, cannot recruit at the entry level, has to go through a process of now saying to the County Executive's Office, we need to hire this person. We found their salary need is this, otherwise we cannot recruit. That takes a longer period of time to get that through the process. So that makes the vacancy there much longer, much more difficult to fill instead of just the interview process that was done before where the job offering was at the appropriate top step.

So you have -- we have another title within the Health Department that has similar problems right now where for some reason or other the Health Department says we don't need to hire in step anymore. And they went back to the entry level and they haven't been able to hire one person, not one at entry level. So each individual hiring, which then takes three or four months to fill a position has to get this in step approval. It's created chaos.

CHAIRMAN CARACCILO:

Phyllis, has the union monitored the County hiring with respect to individuals in other departments that may have been hired out of step and in contrary to --

MS. GARBARINO:

I do have copies of all the in step hiring. I haven't categorized them. But I can do that.

CHAIRMAN CARACCILO:

That would be interesting to take a look at.

MS. GARBARINO:

All right.

CHAIRMAN CARACCILO:

And see if there's a consistent policy being applied.

MS. GARBARINO:

Right. Generally, I can tell you for one, because the union does not have to sign off on these. This is done between the department and the County Exec's Office. So that, therefore, I do not have to enter into the approval process but I do receive copies of it all and I must have that. I, most of the times see it's in highly technical fields or professional fields.

CHAIRMAN CARACCILO:

Similar to these.

MS. GARBARINO:

Absolutely, absolutely and even in computer or scientific nursing, those kind of fields where it is very difficult to recruit and it's a national thing. It's not just Suffolk County. That's why the union is behind proposing something like this because we know there are special needs.

CHAIRMAN CARACCILO:

How quickly could you put that together for the committee?

MS. GARBARINO:

I could do it for you within a week.

CHAIRMAN CARACCILO:

Okay, then would you be prepared at the next committee meeting to make that presentation?

MS. GARBARINO:

Surely.

CHAIRMAN CARACCILOLO:

That would be great, thank you.

MS. GARBARINO:

Okay.

MR. GREENE:

One last point. I think what the County has done historically and it's very difficult under Civil Service, you know especially what they say about Civil Service, one size fits all, you have minimum -- but when you go into the market place, in very technical areas, it's a different kind of competition and you have to look at experience, you look at their resumes. You may have people who are outside who have 15 years of experience in a particular field. And you look at their experience value they would bring to the department; say that value in the market place is worth x plus what we're offering. And we use the in step to recruit these people and we know you have to pay them more.

And it's also a function of the economy. When the economy is running hot, the value of a lot of these titles is much greater. If the economy runs cold, they don't have as much value out there. The value is depressed by virtue of the economy. So it's the ebb and flow of the economy and the ebb and flow of demands. For example, you go back five, six, seven years ago, the demand for nurses weren't quite as acute. You go about five years before that it was acute. Today is acute. So to a large degree whether we recognize it or not, our workforce is driven by the market economy outside the County workforce. And we're held hostage many times to these demands and the in step hiring gives us, through the departments, the ability to meet those challenges. And I think if you talk to the departmental representatives, they could more clearly articulate these various titles and the difficulties they may have or may not have in meeting these market place demands right now.

CHAIRMAN CARACCILOLO:

Who within the department should we contact?

MR. GREENE:

I suppose you should start -- ask the Commissioner to send a representative. I'm sure they could assign whoever they feel is most knowledgeable in this particular area.

CHAIRMAN CARACCILOLO:

Okay. Thank you all, very much.

MR. GREENE:

Thanks for having us.

CHAIRMAN CARACCILOLO:

Mr. Weiss, would you please join us and Mr. Spero? Collectively, could each of you give us a sense of what is the current state of the County's financial outlook? In terms of budgetary shortfalls? Now that we've passed the sales tax increase, we don't update? Is that the way it works?

MR. WEISS:

We only update when you have new information. Since the sales tax passed, we received sales tax for May, which was a little bit less than what we anticipated. So that seems to be running unfavorably.

CHAIRMAN CARACCILOLO:

Year to date Ken, where are we in terms of sales tax collections?

MR. WEISS:

My model has this at five point seven million dollars below the adopted, year to date. We're running at a rate. But it's difficult because the first couple of months of this year, we had eliminated the sales tax on clothing and last year, for the first few months they had sales tax on clothing. So sometimes it's hard doing a -- you know apples to apples analysis. But right now, I'm showing about five point seven million dollars below, you know from January to May, which is consistent with the estimate. You know the total estimate I had in the model, which was thirteen million dollars short so --

CHAIRMAN CARACCILOLO:

That was going to be the next question.

MR. WEISS:

Yes.

CHAIRMAN CARACCILOLO:

As long as it's consistent, we're not continuing to go into the red, that that somewhat not great news but good news.

MR. WEISS:

I'm still, you know based on the information I have now, I'm still estimating, you know before the new sales tax to run at a rate, which is about thirteen million dollars less than the adopted.

LEGISLATOR ALDEN:

Mr. Chairman?

CHAIRMAN CARACCILOLO:

On this issue?

LEGISLATOR ALDEN:

Yes, one quick question on this? Ken do you monitor unemployment rates and then a correlation between unemployment sales tax or anything like that? Do you try to do that in your model?

MR. WEISS:

We have an economist that does a complete model.

LEGISLATOR ALDEN:

Nassau County just hit like an eight-year low as far as unemployment.

MR. WEISS:

Yes, I saw that, yes.

LEGISLATOR ALDEN:

How about us? We're running in there too, aren't we?

MR. WEISS:

I didn't see our statistics for this period but I'm going to get them. I believe we always run higher than Nassau as far as --

CHAIRMAN CARACCILOLO:

Slightly higher but we are still historically at pretty much a lower than mean level. I think we're about two point four, Jim or two point six, somewhere in there and well below the national unemployment rate in the State.

MR. WEISS:

Medicaid is running --

CHAIRMAN CARACCILOLO:

Yes, yes.

MR. WEISS:

Medicaid is running, right now, a little bit better than what we anticipated. So we could have a surplus in that area over what we budgeted.

CHAIRMAN CARACCILOLO:

Well, recently we were talking about a deficit in Medicaid expenditures this year or shortfall from what we budgeted. Now it looks like we actually may wind up in the black?

MR. WEISS:

The problem is we get false readings on Medicaid while there's no State Budget. So based on what's -- you know we get weekly shares and we track the weekly shares and we compare it to the prior year and look at a percentage change. But my experience has been that once you get a State Budget, all of a sudden it looks like there's a whole bunch of retroactive payments that get made. So again, I don't know if we're comparing apples and apples but we're running about 8 or 9 percent over last year. If we run 10 percent over last year, we'll be about where we budgeted. So right now, there is a slight -- you know positive thing but I don't know if that's going to be impacted by the adoption of the State Budget, if they ever have one.

CHAIRMAN CARACCILOLO:

Since the flex hiring policy went into effect, what was the date that went into effect, Ken?

MR. WEISS:

Actually January 8th, is when we implemented it.

CHAIRMAN CARACCILOLO:

So from the beginning of the year, how many hirings have we seen and what's the expectation for the remainder of the year?

MR. WEISS:

I could get that information. I mean, as far as savings, we've saved about fifteen million dollars.

CHAIRMAN CARACCILOLO:

Do you anticipate fifteen million-dollar savings year-end from the flexible-hiring freeze? Close to that?

MR. WEISS:

No, he asked me if it was gross.

CHAIRMAN CARACCILOLO:

Oh, gross. All right, when you say -- elaborate please, what you mean by gross versus net?

MR. WEISS:

Well if somebody in the Health Department isn't hired, the savings is only about 60 percent of the salary.

CHAIRMAN CARACCILOLO:

Because of State --

MR. WEISS:

Because of the State Aid. Somebody in Social Services depending on what function they have, they could be 80 percent aided. They could be zero percent aided. But you know, we have accumulated some savings by not hiring and now we're looking at the -- I was going to drop to the police for a second.

CHAIRMAN CARACCILO:

Sure.

MR. WEISS:

The problem we're seeing with the police is it looks like it's going to be a record number of --

CHAIRMAN CARACCILO:

Retirements.

MR. WEISS:

Retirements, which you know on one hand there's a savings of the salary. But if they go out mid-year and their scat pay is one and a half times their salary, so the first year cost can be rather extensive. They have until -- there's a date in June, they have until June 8th or 9th that they have to file. So by the next committee meeting, I should be in a good position to know exactly where we are as far as budgeted retirements versus actual retirements in the police district. You'd have a negative impact.

CHAIRMAN CARACCILO:

So the June 8th date, what relevance does that have?

MR. WEISS:

The police retire -- they can retire either January or July and they have to file by a certain date in June. So that's when I talk to the Chief of the Department, he said to me that by -- I think it was June 8th that I would know exactly how many people would be retiring for this year, yes.

CHAIRMAN CARACCILO:

Okay. Along those lines, do we have any news on the State Budget and how that might favorably or unfavorably impact the County future in the future?

MR. WEISS:

There is absolutely no news on the State Budget. They have made no progress.

CHAIRMAN CARACCILO:

Are we making any progress with lobbying for the reimbursement of the LIE and Sunrise Highway patrols?

MR. WEISS:

That you know -- that's part of the budget process. So I mean there's been no bills. The only favorable thing I've seen is the possibility that we might get some of the E911 money from cell phones.

CHAIRMAN CARACCILO:

Does the County still retain a lobbyist either on the County payroll or by outside consultant contract?

MR. WEISS:

I think we have both. I think we have -- somebody that works for the County Exec's Office who spends a lot of his time in Albany and we also have a consultant that we pay.

CHAIRMAN CARACCILO:

And what attempts have they made to reach out to the delegation on both sides on the island of both houses on the Assemblyman Levy bill to have the County reimbursed?

MR. WEISS:

I could -- you know the next meeting I can ask somebody from Intergovernmental Relations because they follow that more all year. I correspond a lot with NYSAK. I get a lot of information of NYSAK as to what's happening and when something is happening, I'm usually

aware of it. As far as lobbying for things that are going to be in the budget, you know that could be going on -- you know extensively and I wouldn't know about it.

CHAIRMAN CARACCILO:

Okay, I would like Mrs. Burkhardt to make note and bring to the Presiding Officer's attention - I really feel very strongly that the Legislature should take the lead since we're only talking about possibly six, eight, maybe at most, ten more weeks of legislative session in Albany. And this is about the time of year that things get done in Albany. When the three leaders get together and formulate the final budget, I think, now is the time for us to have a presence, a legislative presence in Albany. And I'd be willing to contribute whatever time I can through that effort and really make a full court pressed to have the County reimbursed, as much as Westchester County is reimbursed for police patrols provided by local agencies. I don't think that's beyond the realm of possibilities. I think if we do anything less than making that effort, there will be no result. But from years of experience, I know the way Albany operates. We're only talking about six, seven, eight million dollars and the State is based on continuing estimates, flush to the tune of whatever house you want to take, one day into three billion and surplus funds. There's no reason why this County can't share in some of those -- some of that extra money. Jim, did you want to add anything to Mr. Weiss's remarks? Is there any news that you have that would be relevant and should be brought to the committee's attention?

MR. SPERO:

Keep in mind that the sales tax figures are -- sales tax collections is basically a quarterly system and we don't really monitor too much on a monthly basis anymore. Because the monthly data, as Robert would say, has a lot of noise in it and the State just sends us a check based on what they estimate the sales tax might be. So there's no statistical basis to base a real projection on. So we'll have some -- a better field for what's happening at the end of the second quarter of this year.

CHAIRMAN CARACCILO:

Okay. Any other committee member like to address the Budget Director in the Budget Review Office? On this or any matter? Legislator Lindsay.

LEGISLATOR LINDSAY:

Either one of you fellows have any projections on the effects of gasoline going up the way it has? I mean, because although it's really a horrible thing to the economy that does increase our sales tax revenue, am I correct?

MR. WEISS:

It does but the last time I looked at this, our sales tax only about 4 or 5 percent of our total sales tax comes from gasoline so -- because it's such a small portion, you know our largest sales tax paid is our Home Depot's and car sales. That seems to have more of an effect. So even if gas prices doubled and gasoline is 3 percent, it's really not that much. It helped us last year, as we had eliminated the sales tax on clothing. It kind of filled in some of that, which is why we made up some of the projected loss. But the State is going to start -- I saw some information. They're going to start giving us a much more of a detailed breakdown as to where our sales tax comes from. Prior to this, it's been too difficult to get the information.

CHAIRMAN CARACCILO:

What is the sales tax rate on gasoline?

MR. WEISS:

For us it's the same. It's the -- you know the four and a quarter -- well now it's four and a half. Four and a quarter for us.

CHAIRMAN CARACCILO:

Because you have the quarter penny for the --

MR. WEISS:

And the MTA gets a quarter and the State gets -- it's the same rate.

CHAIRMAN CARACCILO:

Same rate.

MR. WEISS:

But there's State taxes, which are not sales taxes that are embedded in that, as there are federal taxes, which are not based on a percentage, they're based on so much a gallon.

CHAIRMAN CARACCILO:

Now the County doesn't pay tax on its fuel cost, right?

MR. WEISS:

Correct.

CHAIRMAN CARACCILO:

So what are we presently paying for a gallon of gasoline?

MR. WEISS:

I could find out. It's I mean, from past experience, it's about half of what you see at the pump.

CHAIRMAN CARACCILO:

Okay and the majority of the sales tax at the pump is for Federal and State?

MR. WEISS:

It's not sales tax.

CHAIRMAN CARACCILO:

Yes, gasoline tax.

MR. WEISS:

They've got a lot of names for it but it's --

CHAIRMAN CARACCILO:

Excise tax.

MR. WEISS:

Excise tax, transportation tax. You name it, they got it.

CHAIRMAN CARACCILO:

Okay. On the revenue side, have we closed the books yet on 2000?

MR. WEISS:

We have the preliminary fund balance, which is subject to audit. It hasn't been audited yet. It's about seventy three million dollars.

CHAIRMAN CARACCILO:

For 2000.

MR. WEISS:

Right.

CHAIRMAN CARACCILO:

Okay.

MR. WEISS:

Which is four million dollars more than what we estimated.

CHAIRMAN CARACCILO:

So that's some more good news. That's good. In terms of the collective bargaining negotiations with the County's unions? What is the expectation that they may be reaching conclusion before the adoption of the 2002 Budget?

MR. WEISS:

I think that there's a good possibility that, at least, one of the outstanding bargaining units will have settled by then.

CHAIRMAN CARACCILO:

Now that the Capital Budget is well beyond your office and now here at the Legislature in the next few weeks, you are, I'm sure working on the Operating Budget for next year? And as you look into your crystal ball Ken, what can you share with us, in terms of transfers of Fund 1, Fund 15 and possible tax impacts for next year?

MR. WEISS:

The last time I updated the model, which was after the sales tax was implemented. I was looking at a slight increase in the general fund. That is less than 5 percent and we're still looking at a fifty million dollar gap in the police district, which will be tied down once we have retirements and once we determine the exact size of the class. We have a class starting in about another week or so and it's somewhere between one forty and one forty eight. I don't know if that's pinned down yet. We have to throw that into the mix and then we're going to have to project out retirements for next year and determine how many classes we're going to have next year. That's really the key. The key cost item for next year is how many classes will we have to have. Probably more than we anticipated because of the retirements.

CHAIRMAN CARACCILO:

What would be the tax impact in the police district if there were a forty million-dollar increase in expenditures in the department? He did say fifty but --

MR. WEISS:

I said a fifty million-dollar tax impact.

CHAIRMAN CARACCILO:

Okay, so then we'll use the fifth there. What would be the tax impact in the police district?

MR. WEISS:

Fifty million dollars.

CHAIRMAN CARACCILO:

No, the tax and percentage basis.

MR. WEISS:

Oh, oh, okay. Percentage, now it's like 15 percent.

CHAIRMAN CARACCILO:

So combined?

MR. WEISS:

Yes.

CHAIRMAN CARACCILO:

On a combined basis then? At this point?

MR. WEISS:

Well because it's so weighted. You know on a combined basis it comes out -- if it's 15 percent in the police district, it's like 16 percent combined. You know because all the weight is in the police district.

CHAIRMAN CARACCILO:

Okay, since that would exceed the cap in tax levies --

MR. WEISS:

Not necessarily.

CHAIRMAN CARACCILO:

Not necessarily. Okay could you explain?

MR. WEISS:

Cap is a tax, levy tax, not a tax warrant cap.

CHAIRMAN CARACCILO:

Um-um.

MR. WEISS:

I think Fred had calculated that we raise taxes by a hundred million dollars without a significant cap.

CHAIRMAN CARACCILO:

In combined funds?

MR. WEISS:

Yes. Well that -- you know a lot of that has to be analyzed. We still have to get -- we still don't have our actual breakdown, as far as our actual fund balance for discretionary versus mandated because we have a seventy-three million-dollar fund balance. Part of that's going to be mandated, part is going to be discretionary. So we have to analyze that. It's way too soon to determine whether we're going to have a tax levy cap problem or expenditure cap. Because fifty million dollars, depending on whether it's mandated, you know because the caps are all on the discretionary side of the budget, not on the total budget and I'm just talking about the total budget.

CHAIRMAN CARACCILO:

Why is it since binding arbitration is responsible for the increases, as I said, overwhelmingly in the police department budget that we have never been able to reconcile that that is a mandated expense and not a discretionary expense?

MR. WEISS:

The Executive Office has always taken a position that it's --

CHAIRMAN CARACCILO:

I know. I know and I know Legislative Counsel and the Budget Review Office have taken the opposite position. What latitude does the Legislature have in making a determination that that is, in fact, a mandated expense prescribed by a State Law that calls for a process, wherein a third party makes a decision for elected officials and for taxpayers. I mean how does one argue that that is not a mandated expense?

MR. WEISS:

I can't argue it. But I've been argued in the other way so --

CHAIRMAN CARACCILO:

Mr. Pollert, I know you've addressed this issue before, because I've asked this question many times before.

MR. POLLERT:

The law is very clear, which was supported by the County Attorney's Office in previous opinions with regard to the County Clerk's Office. Unless something is statutorily required by the Federal or State Government, it is considered to be a discretionary expense. So because the arbitration award was not statutorily set by either the State or the Federal Government, it is by legal definition a discretionary expense. The County has the discretion to reduce the number of sworn personnel and therefore, impact what the cost of the total award would be. When the laws were first adopted by the Legislature and approved by referendum, the

County Clerk's Office and most departments said that their functions were mandated like the District Attorney's Office is mandated to prosecute criminals. But there's nothing that statutorily requires the number of Assistant District Attorney's, which we're required to have. In addition to that, it was always the view of the Legislature that if the cause were to be considered to be mandated that would relieve the arbitrator from even remotely considering the Cap Laws and the ability of the County to pay.

CHAIRMAN CARACCILOLO:

Have you ever observed an arbitrator who has taken that into account?

MR. POLLERT:

If nothing else, the County would be precluded from making the argument that the arbitration should fall within the Cap Laws. So they may not take it into account but the County has always argued that.

CHAIRMAN CARACCILOLO:

Fred, did I hear you say that the County Attorney's Office concurs with an interpretation that it is a discretionary expense and not a mandated expense?

MR. POLLERT:

When the laws were first created, there was a series of memorandum, which was done by the County Attorney's Office that time, which indicated that the County Clerk's Office, the Probation Department, the Police Department, the District Attorney's Office, those departments whose functions were statutorily required by the State Government were not considered to be a mandated expense, because the State and Federal Government did not give us the level of staffing required to carry out the services. So even though the County Clerk is an officer of the court and has to record judgments, there's nothing, which says that he has to have twenty-five clerks to record the judgments in 24 hours. Like Child Protective Services, there are guidelines, which are given by the State. In the case of the Sheriff's Department, the Department of Correction actually comes in to give us a required staffing level post by post. That's the reason we're considered to be mandated.

CHAIRMAN CARACCILOLO:

Ken, is it your position or the Executive's position that this is -- the police arbitration awards are mandated expenses and if so, what is the predicate and justification for presentation, a budget presentation, not to put it into that category?

MR. WEISS:

We've taken the position on several different budgets. That it was mandated and we put it on the mandated side. Last year, we had an agreement before we submitted the budget that we would not do that.

CHAIRMAN CARACCILOLO:

Correct.

MR. WEISS:

So I would assume that we would have an agreement that we wouldn't present the budget differently than we did last year.

CHAIRMAN CARACCILOLO:

Are you cognizant of any reason why the County Attorney would like to revisit this issue and perhaps issue an updated opinion?

MR. WEISS:

I want to discuss this with the County Attorney.

CHAIRMAN CARACCILOLO:

And could you get back to us the next committee meeting?

MR. POLLERT:

Just along those lines. Even if it's considered to be a mandated cost, taxes would fall by an equivalent amount of money. The problem, at least, for 2002, does not appear to be problems with the tax levy cap. The County Executive has about a hundred and thirty five million dollars with the discretion under the tax levy cap where he could propose a budget with a hundred and thirty five million dollar increase in the warrant and still comply with the tax levy cap. So if its mandated or not, the total impact on the property tax levy would be the same.

CHAIRMAN CARACCILO:

It's just really how you treat it. Okay. Ken, a final question. Paul did you want to add something?

MR. SABATINO:

Just two quick points. One is that the Statute itself specifically states that in order to be mandated there has to be an exclusively prescribed level of services or expenditures to be made. So it clearly falls outside that definition. But more importantly, even in those years when it was submitted in the budget, under the proposed budget as a mandated item, the Legislature has reclassified it as discretionary and those votes were either 18,0 or 16, 2. So it's not as though the process has been arbitrary. When it was submitted, it was reclassified for three consecutive years.

CHAIRMAN CARACCILO:

On Deputy Sheriffs and hiring in the Sheriff's Department? Where do we stand with regard to Scin Form request that I've been advised are not being filled?

MR. WEISS:

Right. We won't be hiring any Deputy Sheriffs this year.

CHAIRMAN CARACCILO:

And what is the rationale for that? I mean is there a justification for that? Do we have sufficient numbers of Deputy Sheriffs? Is that going to impact overtime expenditures in the department negatively?

MR. WEISS:

There's a little bit -- there's always going to be a certain mix of permanent salaries and overtime and we think, at this point, with the number of vacancies they have that it's more cost justified to let them have the vacancies. They're going to have to hire next year. The problem with the Deputy's is they can only be hired with a police class.

CHAIRMAN CARACCILO:

Right.

MR. WEISS:

Since there's only one police class this year and it's going to start in a couple of weeks. There won't be any Deputy Sheriffs hired. But next year, when we go, we're going to go to a more flexible class structure. We're going to have smaller classes next year and have them more often. So we may have -- if we have to hire a hundred and fifty police officers next year, we'll do it in three fifty, in three classes of fifty. So we'll have an opportunity then to hire Deputies, as we determine we need them, rather than this year we had to hire them all by this date and have them in this class.

CHAIRMAN CARACCILO:

Was it a logistic issue or was it a cost saving issue that we're not hiring them?

MR. WEISS:

Well, it's logistics that they have to be hired with the police class. That's -- I mean that's a given. But based on the contract, based on the fact that they have to work another 7 percent, putting 7 percent more time based on the new contract, we felt that we could get

through this year without hiring any more deputies.

CHAIRMAN CARACCILOLO:

And in terms of early retirement incentives? From Albany, has anyone heard anything along those lines?

MR. WEISS:

It's all rumors though. I mean, people will tell me it's definitely going to happen and then somebody else will say absolutely not. So there doesn't seem to be any clear indication as to what's going on.

LEGISLATOR HALEY:

Mr. Chairman?

CHAIRMAN CARACCILOLO:

Yes. Legislator Haley.

LEGISLATOR HALEY:

What would you be hoping for?

MR. WEISS:

I plead the fifth.

CHAIRMAN CARACCILOLO:

Did you want to add anything on that? Okay. Is there anything either of you would like to inform the committee of that would be relevant to the County's finances and future financial outlook?

MR. WEISS:

Well just -- you know when we get to the agenda, there's some bills on there, which I think are important for us to cure financial stability in the long run.

CHAIRMAN CARACCILOLO:

Sure, okay. We will now go to the agenda. We have before us tabled resolution prime 1261. Mr. Weiss, what is your pleasure?

MR. WEISS:

The problem that we had and the gap that both the Budget Review Office and I have identified was caused primarily by the fact that we've had large fund balances in recent years and the fund balances have been treated as a one shot revenue the following year. Case in point, we had an estimated sixty-nine million-dollar fund balance in the general fund, which was used to reduce taxes in 2001. My projection is that if we have -- well, based on the sales tax passing, I'm anticipating now about a thirty million dollar surplus in 2001, which would have been zero if we had not gotten the sales tax for this year on June 1st.

CHAIRMAN CARACCILOLO:

Yes, define surplus?

MR. WEISS:

Surplus is the difference between expenses and revenues. If you have more revenues than you have expenses; you have a surplus. If you have more expenses than you have revenues, you have a deficit. It's complicated by the opening fund balance. I mean that would be done on a structural basis, on an annual structural basis. What complicates it is you have -- you either have an opening fund balance or an opening deficit, which you know has to go through the -- but would become your beginning number. So you're either starting in the hole or you're starting in the black.

CHAIRMAN CARACCILOLO:

So with respect to the resolution?

MR. WEISS:

This resolution would allow us to put more money in the tax stabilization fund and reduce the

amount of money that would be used to reduce the taxes the following year. In other words, if we had, in prior years, taken a larger part of the surplus and put it into the tax stabilization fund, the first year we had a problem when we didn't have a surplus, the gap wouldn't be sixty nine million dollars. It might be thirty million dollars or twenty million dollars and then we would have sufficient money set aside in the tax stabilization fund to deal with it. So if we had done that consistently for the last eight years, we wouldn't have to increase the sales tax.

CHAIRMAN CARACCILO:

Okay. Was this the type of amendment that are considered previously? To establish a reserve fund like this?

MR. WEISS:

We have a reserve fund.

CHAIRMAN CARACCILO:

I understand that. We're optimizing as the resolution title indicates?

MR. WEISS:

No. I think it was, you know when we analyzed the situation, determined what the problem was that we were really a victim of our own success by having large surpluses in prior years. That once the economy did a --

CHAIRMAN CARACCILO:

Snag?

MR. WEISS:

Then we had to -- if we realized that, you know we may solve this problem for the next couple of years but you know three or four years from now, this same thing may happen. We would be sitting there looking at a -- you know a large surplus in 2003 or 2004 and then have the economy burp again in 2005 and then you know and there may not be another sales tax to increase.

CHAIRMAN CARACCILO:

Counsel? On this resolution, would you like to comment?

MR. SABATINO:

It's a little bit complicated but under current law, a minimum of 25 percent goes into tax stabilization. That's different than what was done in 1991. In 1991, it had been increased from zero to 50 percent. It was changed in 1994. So right now, the minimum amount that goes to tax stabilization under the current law is 25 percent. With fourteen votes, you can make it more than 25 percent. You still have the power to put more in than the 25 percent that you so desire. Under this legislation that 25 percent will become 67 percent. So it will be a higher minimum threshold than you currently have and then with fourteen votes, you could go beyond the 67 percent. So you could be basically going -- it was originally zero. In 1991, it went to 50. In '94, it came back to 25 and then this would go to 67.

CHAIRMAN CARACCILO:

I'm looking at the rule 28 on this resolution and it says enactment of this proposed legislation would change the 75 percent threshold to 33 percent. What does that relate to?

MR. SABATINO:

Seventy five percent is what currently goes back to the taxpayers. Because the way the Cap Laws are written, it's whatever the surplus is after tax stabilization must go back to the taxpayers. The only reason that's important is -- I mean you can't count the money twice, okay! What Mr. Weiss said before that had you not returned that 75 percent to taxpayers, you would now have that money sitting in an account. He's right but you wouldn't have had the last nine years of you know what the Legislature and the Executive have touted as an economic and fiscal success, which is that you've had taxes at a certain level. So don't take away the impression that, you know by going to 67 percent, you're now going to have, you

know the same tax level that you had all those years plus you're going to have money to deal with a sales tax shortfall. I mean the money can't be counted twice. It was there once. You chose to use it over those years as you used it. You chose not to go beyond the 25 percent or 30 percent or whatever the number was. But that money serves another purpose, which was you had a certain tax policy with regard to property taxes. So as long as you understand that, it's not -- it doesn't magically generate new money.

CHAIRMAN CARACCILO:

Budget Review? What is your position on the resolution?

MR. SPERO:

Just a general statement. Again, it's an overall policy decision. How much you want to give back. How much do you want to reserve? But when Fitch rated us recently and upgraded the County, the creation of operating a capital reserve was considered their number one best practice and having a very significant effect on our credit rating.

CHAIRMAN CARACCILO:

You said capital reserve.

MR. SPERO:

Capital and operating reserve. Number one best practice. So to the extent you can -- you reserve more money, you put the County in a better financial position and it will be viewed more favorably by the rating agencies. So creating and having reserves is certainly a sound fiscal policy. You have to weigh that against your willingness to not lower taxes, to keep those reserves intact and/or increase them.

CHAIRMAN CARACCILO:

Elaborate on that last point?

MR. SPERO:

Well --

CHAIRMAN CARACCILO:

As a practical matter, as we look at the 2002 Budget, okay! We just heard testimony where we're looking at a five -- possibly as much as a 5 percent increase in the general fund and something in double digits for the police district. This policy is implemented. It's subject to a mandatory referendum; I understand that. So it wouldn't impact 2002 but it would subsequent years. What would be the net effect if it were the law today?

MR. SPERO:

The net effect would be that you would have to place more money into the reserve in lieu of lowering or maintaining a certain level of taxes in the general fund now on the tax warrant. This would not impact the police district. This is only general fund.

CHAIRMAN CARACCILO:

Okay, in order to do that, as a practical matter? Would that necessitate a higher property tax increase in the general fund?

MR. SPERO:

Yes it would because you'd be moving money to the reserve in lieu of lowering the tax warrant.

CHAIRMAN CARACCILO:

So it's a question of how you slice this pie, okay! And Counsel says we already have the authority to do that. Ken I'm going to let you respond and then I'm going to recognize Legislator Haley. And then we have a number of Legislators that have questions.

MR. WEISS:

The problem we have and this is something I hope that gets, at least, discussed in the task

force that was created by the County Executive. Is that if you look at the history of the general fund, just the recent history, the last eight years, general fund was a hundred and sixty million dollars in 1991. It's forty eight point nine million dollars now. And the gap between the tax levy, that is the amount of money needed to operate the County general fund per year and the tax warrant, that is the amount of money collected are the taxpayers has grown and if this continues, if we continue to lower the taxes in the general fund, which you know looks like a good idea at the time you do it. But the first time that you don't have the surplus and you don't have a large surplus like we had this year, now you have a gap and that gap when we started before we implemented the new quarter cent sales tax, that gap was a hundred and forty million dollars, which meant that we were looking at raising the general fund property taxes by 280 percent. Now, even though the dollar amount is very small because they caught up in the percentage game but you could almost guarantee that somebody is going to write a headline, Suffolk County raises property taxes 280 percent. And the average person is going to think that they're paying six thousand dollars for taxes, all of a sudden then we're paying twelve thousand dollars for taxes. So it's -- which is not the case but I mean, you know my general fund property taxes last year was sixty-five dollars. So if you triple my property taxes, you know I'm paying a hundred and eighty dollars. It's ten dollars a month increase.

CHAIRMAN CARACCIOLO:

Okay. Legislator Haley.

LEGISLATOR HALEY:

Now, this is straight dollars. In other words, whatever the surplus is, you know whatever you've budgeted. You know you get so much revenues, you have expenditures. At the end, whatever is left over, in this case two thirds has to go to stabilization, right?

MR. WEISS:

Correct.

LEGISLATOR HALEY:

Now on -- we passed a resolution this year that requires that if sales tax revenues come in over that which you projected 50 percent of that goes to tax stabilization.

MR. WEISS:

Correct.

LEGISLATOR HALEY:

How does that figure in this equation?

MR. WEISS:

Well, I would take the sales tax first to treat that as an expense. Treat the transfer to the tax stabilization fund as an expense and then it would only be the surplus after that. That's the way I would treat it. That would be my way of treating it.

LEGISLATOR HALEY:

Does that seem appropriate? You understand the conflict? What I'm concerned with is, you know we have something on the books now that says 50 percent and that could possibly be used in this equation, depending on how you look at it. You follow me, Counsel? You understand what I'm concerned about? I'm concerned about the conflict between this and the resolution we just passed this year. Which one precedes which?

MR. SABATINO:

I thought of that just before.

LEGISLATOR HALEY:

Which gets the priority?

MR. SABATINO:

What happened though, because this becomes the Charter, you know this would supercede.

That language would become subordinate to this. It's a point I took into consideration just that the Charter Law governs.

LEGISLATOR HALEY:

Is it possible -- if it's possible is there a scenario where if the Charter Law prevails and you took that 67 percent and then thereafter Ken, thereafter, if the 67 percent prevails and then thereafter, you look at the resolution we passed, it said the 50 percent of the sales. There still could be a scenario where you might have to put additional monies into tax stabilization.

MR. SABATINO:

Let me just add a copy. The first thing you do is you try to harmonize legislation. So I mean, if the first thing out of the box is you don't say oh, there's an automatic conflict so -- but you have to look at the sales tax resolution first though because that is subordinate, in terms of its legal status. So if you could find a way to do that calculation first and then still not have it wind up being inconsistent with the 67 percent, you know then you've got harmony. But when you do calculations, it turns out that there's a conflict, the Charter Law would prevail. So I just wanted to clarify that one point.

CHAIRMAN CARACCIOLO:

Legislator Postal. Okay.

LEGISLATOR HALEY:

Ken was supposed to respond.

MR. SPERO:

The two things are not necessarily the same. You can't assume because you have sales tax surplus over what was budgeted that you're going to have a total operating budget surplus. It is possible to have a scenario. You have a sales tax surplus and have to reserve money and actually run an operating fund deficit. So the two things are not -- do not necessarily come together. Because the operating fund balance is the sum of all revenues versus the some of all expenditures.

LEGISLATOR HALEY:

Right.

MR. SPERO:

As Paul said, we have to reconcile these two issues.

CHAIRMAN CARACCIOLO:

Are you done Legislator Haley?

LEGISLATOR HALEY:

How do we do that?

MR. SPERO:

Well, let's take, I guess, the instant. If we have a seventy-three million-dollar fund balance for last year and let's say that the Exec's law was in effect.

CHAIRMAN CARACCIOLO:

Right.

MR. SPERO:

And said, you know two thirds of the money has to go to the reserve. We would have to look at our sales tax collections and say well, okay does that -- did we over collect or does that two thirds cover the extra sales tax revenues we collected for the Year 2000.

CHAIRMAN CARACCIOLO:

Well, look we know the numbers for last year. So let's -- you know hypothetically assume this law, Jim, we know the figures for last year. We know what the fund balance was, okay! We know they have to be audited and we'll wait for that. But with that exception, put into

practice, if you will, assuming that hypothetical example, this law were now in effect. What's the practical implications of this law in that scenario?

MR. SPERO:

Again, it depends on the circumstances. But if this law was in effect, we'd have to take two thirds of the surplus.

CHAIRMAN CARACCILOLO:

Which would be?

MR. SPERO:

About two thirds of seventy three million dollars and move it to the reserve fund.

CHAIRMAN CARACCILOLO:

About fifty million?

MR. SPERO:

Even if there was --

CHAIRMAN CARACCILOLO:

All right, so now it's --

MR. SPERO:

Even if there was less sales tax collected.

CHAIRMAN CARACCILOLO:

Now it's in the tax stabilization reserve fund, okay! It's there, okay! That's a paper transaction. That's an accounting procedure. What is the practicality? Not practicality, what is the reality of it now being in that position on the balance sheet as opposed to being someplace else?

MR. SPERO:

Well, the reality is, it's on your balance sheet, as opposed to giving it back in taxes. So the money is there for you to draw down in those years when you want to avoid a large increase in the general fund property tax.

CHAIRMAN CARACCILOLO:

Okay, so then last year when the budget for this year was being proposed? If this law were in effect, that fifty million dollars would have been off the table, as far as the Legislature adopting a budget that reduced the amount of property taxes last year. There was no real increase in the general fund. There was a seven point nine percent increase in the police district last year, this year 2001. So again, using that as an example, if that fifty million-dollar was in a tax stabilization reserve fund, what would have been the police district tax impact? It would not have been seven point --

MR. SPERO:

Well, it has no effect on the police district. This is general fund only.

CHAIRMAN CARACCILOLO:

General fund only. Okay, so for this year, Paul?

MR. SPERO:

It would go up.

MR. SABATINO:

So last year the general fund would have had a fifty million dollar tax increase in it, because you wouldn't have had the fifty million dollars to apply someplace else.

CHAIRMAN CARACCILOLO:

So the general fund would have had a fifty million-dollar property tax increase?

MR. SABATINO:

Or you would have to go someplace else to find fifty million dollars in adjustments. Right that was my point from before, which is that it's just a question of your perception. The money can't be used twice. So if the money was in the tax stabilization reserve fund, that fifty million dollars, it's true would be out there for future years. If your time horizon is three years from now or two years from now. But last year's budget would have been a totally different budget.

CHAIRMAN CARACCILO:

You would add a 100 percent increase in the general fund.

MR. SABATINO:

Or you would have been dealing with other adjustment issues, in terms of offsets or reductions in the budget or looking for other revenues.

CHAIRMAN CARACCILO:

I guess we're all trying to understand is what is the practical implication of this proposal?

MR. SABATINO:

I think --

CHAIRMAN CARACCILO:

What is it Counsel?

MR. SABATINO:

I think --

CHAIRMAN CARACCILO:

What is it Counsel?

MR. SABATINO:

I think the two budget offices are clearly stating that having reserve funds are a good thing from a fiscal accounting, you know economic standpoint. They are good things to have. The question is how do you get from here to there and what are the consequences? Right now, you can put more money into a tax stabilization reserve fund. I think there's a misconception out there that you don't have the ability to put more money. For example, that fifty million dollars we just spoke about could have been put into tax stabilization last year or twenty five million or thirty million. That could have been done. It was a conscious decision not to do it because something else took the priority and that could be good, bad or indifferent. That's for the elected officials to decide. If you move -- okay, so just to finish the thought. If you're moving to this scenario of 67 percent, your discretion as policy makers and as elected officials to decide what the appropriate portion or level of taxes and reserve funds should be will be circumscribed. That's really the essence of the whole debate. The level of discretion and the degree to which you want to see it circumscribed or not circumscribed.

CHAIRMAN CARACCILO:

Okay, now let's put that in the context of the County's budgetary difficulties in the late '80's, early '90's and the present economic condition we find ourselves in. Is that a good policy to adopt?

MR. SABATINO:

Having reserve --

CHAIRMAN CARACCILO:

Go ahead.

MR. SABATINO:

That was directed to me?

CHAIRMAN CARACCILO:

Yes.

MR. SABATINO:

The financial people clearly say that having reserve funds are a good thing. I mean, it's clearly in concept; it's a good thing. It's the level of that reserve fund that the elected officials have to decide is appropriate. So it's really up to elected officials to determine should it be the same amount every year? Should it be a variable figure? It should be 20 percent, 30 percent? I mean it's not for us to decide.

CHAIRMAN CARACCILO:

Go ahead.

LEGISLATOR ALDEN:

Paul, doesn't this have the effect of eliminating surpluses in x number of years? I mean you could calculate it out. If you have to take -- it's 66 percent of the surplus every year, after x number of years, there's not going to be any surplus, right? Isn't that what the intent would be? To eliminate surpluses in x number of years.

MR. WEISS:

Ideally, ideally. The budget every year would end up with a zero fund balance. There would be no surplus, no deficits. I mean that would be the ideal situation. Because surpluses cause you problems and deficits cause you problems.

LEGISLATOR ALDEN:

But that's what this --

MR. WEISS:

But it's harder in a one point nine billion-dollar budget to get to zero every year.

LEGISLATOR ALDEN:

But that's what this is. This, in effect, zeros out the surplus.

MR. WEISS:

Yes. And once you get it in the tax stabilization fund, then you have the discretion. If you raise taxes in the general fund by 2 1/2 percent, which isn't a really large amount, you the Legislature, has the flexibility to decide how much you're going to take out to keep the -- in other words, you have a year where you find out you have a 20 percent tax increase, where you take out enough out of the tax stabilization fund to bring it down to 2 1/2 percent. As long as you raise the taxes 2 1/2 percent, you can take as much out of the tax stabilization fund as you want. So once, you know if this policy had been going on for a couple years, we'd be sitting in a good situation. If you had started it last year, you would have had a problem because you would have -- you know, so you have to be careful where you start. The thought behind this is --

CHAIRMAN CARACCILO:

Well is now a good time to start?

MR. WEISS:

Now we're at zero, now is a good time to start. Because we're not going to have a sixty nine million dollar surplus this year because if we did, we wouldn't have had the problem in the first place.

LEGISLATOR ALDEN:

Okay. But also it's predicated on -- almost predicated on what the sales tax is going to be more coming in at more than what we actually budgeted for. Wouldn't that be a fair

assessment also? Because if that doesn't happen, then we've got some -- a couple of hard years while you're establishing your reserve funds and then you would have --

MR. WEISS:

Right.

LEGISLATOR ALDEN:

Okay.

MR. WEISS:

I mean the one thing we have going for us is we have a thirty-four million-dollar tax stabilization fund. I mean it's not that we're starting from scratch. We have something to fall back on. Thirty four million dollars wasn't enough to make up a hundred and forty million-dollar hole. But if we continue to add to this over the next couple years and then we have a bad year, we'll be in a better position to deal with and that's why as Jim said, the rating agencies look very favorable upon reserves. They don't look favorable upon turning the money over reducing taxes every year.

CHAIRMAN CARACCILO:

What are --

MR. WEISS:

Then it's gone.

CHAIRMAN CARACCILO:

What are, if there are any limitations or restrictions on using tax stabilization reserve funds?

MR. WEISS:

As far as the limitation of using it, you have to -- there's a threshold. You have to raise the taxes by 2 1/2 percent in the general fund in order to use it.

CHAIRMAN CARACCILO:

In order to use it, you have to have a minimum tax increase of 2 1/2 percent?

MR. WEISS:

Two and a half percent.

CHAIRMAN CARACCILO:

Do the voters know that when they look at this referendum? Now we get down to ballot referendum questions and full disclosure. I mean we had a problem last year with proposition two because some argued that the wording was --

MR. WEISS:

That's to take the money out, not to put the money in.

CHAIRMAN CARACCILO:

I understand that but I mean, when voters look at a ballot question, which by the way in the real twenty-eight -- Legislative Counsel disagrees and recommends an alternative, some alternative language. A Charter Law to stabilize real property taxes by optimizing use of tax stabilization reserve fund to safeguard such funds for real property tax reduction be approved. What you're saying is before you could even use tax stabilization, you have a trigger of at least a 2 1/2 percent general fund property tax increase. I could see where a taxpayer would say wait a minute. All I read was property tax reduction. I didn't hear anything about a tax increase.

MR. WEISS:

Well the property tax reduction is when you have --

CHAIRMAN CARACCILO:

I understand that. But to the person going to the ballot booth who doesn't have the benefit of this dialogue, it's misleading. And I think, when you look at Counsel's alternative, the recommendation, shall a Charter Law to require a minimum transfer of 67 percent rather than 25 percent of surplus County funds to the tax stabilization fund each year be approved. It is very specific. It lets the voter know exactly what the change is from 25 to 67 percent and asking for authorization to do so. Would you have a problem with the alternative language?

MR. WEISS:

I didn't write the bill. The County Attorney --

CHAIRMAN CARACCILOLO:

No, I understand that.

MR. WEISS:

So the County Attorney would have to look at it.

CHAIRMAN CARACCILOLO:

Well I'm going to make a motion to table. I'm also -- we'll go on with questions. But I'm also going to suggest that maybe we bring in some outside economists and others that are familiar with municipal budgeting. Maybe even a rating agency or two to help us pass judgment on this. I don't think anyone has objection. I think we just need some more information and clarification before we move forward. Now I know there's a timetable Counsel. What is the outside date that we could adopt this?

MR. SABATINO:

Well since it's the County Executive's bill, presumably he would sign his own bill, so you don't have to worry about a veto process. I would say the August meeting would --

CHAIRMAN CARACCILOLO:

Okay, so we have some time and we'll do that. Is that okay with you, Mr. Weiss?

MR. WEISS:

Fine.

CHAIRMAN CARACCILOLO:

Good. Legislator Postal.

LEGISLATOR POSTAL:

First, as far as the rating agencies. In my experience, the rating agencies want to know you're solvent. They don't care how you raise the money. The rating agencies are happy when you raise taxes. I mean, if we raise taxes by a thousand percent, the rating agencies would love it and that's been my experience. So yes, we're obviously concerned about our bond rating. But on the other hand, we've got to be reasonable and the objective here is not solely pleasing the bond rating agencies. That's my first observation. Second of all, this is an issue of choice, as I see it. You know we're looking to tie our hands again. We have the option every single year that we've had a surplus to increase the percentage of money that we were putting into the stabilization fund. Is that true, Mr. Sabatino? We could have done that. We could have done it last year. We could have done it in prior years.

MR. SABATINO:

Yes, that's correct. Last year, you put more money in then you did the year before.

LEGISLATOR POSTAL:

So we're just -- if we go ahead with this, we're really limiting our freedom of choice to do that. Then you know, I think, we really come down to number one, a kind of a philosophical decision. And number two, what I see as a potential danger or temptation. First of all, Mr. Weiss said something about; you know keeping the money in the bank. Having money in the bank. Whose bank? The question that we have to decide is whether it should be in our bank or whether it should be in the taxpayer's bank. If the taxpayer is paying us a certain amount

of money and we take in more than we spend, do we have an obligation to return that money to the taxpayer, at least, a portion of it to the taxpayer or should be holding two thirds of it. I mean, I have a serious problem with holding on to two thirds of it when it's taxpayer's money. Why should we have the benefit of that money? I mean, what if that taxpayer dies before we can return that money to the taxpayer? What if the taxpayer moves out of the County? So you know, we always get angry when the State or the federal government does that to us. When we're due State or Federal Aid and they hold on to the money so that they can use it because it's our money. Maybe we've up fronted it and we get angry because they're not returning it to us on a timely basis. I think that by increasing the mandatory threshold to two thirds, we're really doing the same thing to the taxpayer.

The other thing is, I think, that we create and you can say that we have this temptation now but we only have it for 25 percent, we don't have it for two thirds. I think there's a temptation of building a surplus. We adopt a budget and when we adopt a budget, an operating budget, we make decisions about how much money we're going to spend on personnel. How much money we're going to spend on supplies and equipment. But we don't actually have the ability to release positions. I mean, one of the things that has driven us crazy over the years is when we put money into the budget for additional CPS investigators or CSCB workers and those positions are not released. I think that when you have a mandatory threshold of two thirds, you have real incentive. You're not going to return that money to the taxpayer. You're going to be able to build it up for when you might need it because there's going to be a big tax increase. And I think you have an additional incentive not to fill positions, just to build that surplus. So I think, we have the choice to reserve more than 25 percent right now. We haven't chosen to do that. I think, we tie our hands and if we're going to tie our hands because we're afraid it's -- you know stop me before I spin, or we want to please the rating agencies, I think, that's a terrible mistake.

CHAIRMAN CARACCILO:

Okay. Legislator Lindsay.

LEGISLATOR LINDSAY:

I have a different view than Legislator Postal on this. The yo yo effect of raising taxes, cutting taxes, it just never made any sense to me. I think, probably most taxpayers would just like a straight line of this is what it's going to cost me to maintain County Government and you know, stop the up and down effect. But my one question, which kind of disturbs me about this. Are we, in effect, raising taxes on one end to build higher surpluses on the other?

MR. WEISS:

Not intentionally. I mean, what you do is if you implement this at a time when you have no surplus or you have a small surplus, which I think is what we're looking at here. Then you're talking about the future. In the future, when you get surpluses, instead of taking the easy solution, which is let's take the surplus and lower the taxes and then you're right Legislator Lindsay, we create yo yos. I mean, the goal here is stability and we don't have stability in Suffolk County. We have a track record eight years in row of lowering the general fund property taxes and the first time we have a problem with the economy, as we saw here, if we didn't increase the sales tax and the economy continued the way it was going, we were looking at telling people that we were going to raise the general fund property taxes by 280 percent. I don't think the people want to have their taxes increased 280 percent. The following year, we'll probably create a surplus and we'd give it back. But for the one year for the taxpayer that lived here in Suffolk County that had to pay the 280 percent, who didn't die -- I'm a financial planner and I tell people you have to plan for the future. God forbid you should live. That's the thing. You don't want to outlive your money and stability should be the goal of governments in taxes.

LEGISLATOR LINDSAY:

Just a follow up. Mr. Weiss, we just raised the sales tax, right? And you're projecting now a zero at the end of the year. That there's no deficit, no surplus.

MR. WEISS:

Well, at the end of this year, actually we're going to have a thirty million surplus, because

we're going to have the sales tax this year.

LEGISLATOR LINDSAY:

So couldn't you just make the case that we just raise sales tax out of that thirty million dollars, some of that money now is going to go into tax stabilization?

MR. WEISS:

Well, the problem is that when we worked out the projections with the gap, we needed -- that's why we needed to get the sales tax June of this year.

LEGISLATOR LINDSAY:

We know that.

MR. WEISS:

We needed the thirty million dollars and the additional fifty two million dollars we're going to get next year just to close the gap. When I say we're going to have a general fund with a less than 5 percent tax increase that's almost break even. And that's where we're going to be in 2002.

LEGISLATOR LINDSAY:

Okay.

CHAIRMAN CARACCIOLO:

I just want to go over some numbers that seem to be changing and changing quite rapidly. It wasn't long ago that we heard from both of you individuals and your offices that the County was looking at a budget shortfall for 2001. Did I hear you correctly just a moment ago say, we're looking at a thirty million-dollar surplus?

MR. WEISS:

Right. When Fred and I spoke, we always spoke about this is the shortfall. What we need is a sales tax. Now once you pass the sales tax, now that's factored into the model.

CHAIRMAN CARACCIOLO:

Oh but I heard at the time we were discussing sales tax, we couldn't wait until September, okay and deliberate a little longer. We had to do it right away to get it in for the June quarter, because if we were to do that, just wait three months, we would lose thirteen million dollars.

MR. WEISS:

Right.

CHAIRMAN CARACCIOLO:

Thirteen million dollars subtracted from thirty sure sounds to me, we could have waited until September, or maybe later to see how this economy would have picked up. If it is, in fact, on the increase. I mean, all of the national economic forecasts are things are going to get a lot better by the third and fourth quarter of this year, definitely by the fourth quarter, because of the four consecutive federal interest cuts. You don't disagree with that?

MR. WEISS:

The economy and the sales tax don't always go hand and hand. Sometimes there's a lag effect.

CHAIRMAN CARACCIOLO:

But there's consumer confidence.

MR. WEISS:

The thirteen million dollars that we would have lost would have resulted in about a 15 percent tax increase in the general fund. And I thought the goal was to try and get the general fund down to a break even.

CHAIRMAN CARACCILOLO:

Okay, just explain that? How it would result in the 15 percent property tax increase?

MR. WEISS:

Well, if based on the fact that we're going to get twenty nine million dollars this year in sales tax by implementing it in June, will give us sufficient funds, so that we're going to have a property tax increase of less than 5 percent in the general fund. If we were short fifteen million dollars, fifteen million dollars is about --

CHAIRMAN CARACCILOLO:

Would it be a 15 percent increase in the general fund?

MR. WEISS:

It's about a 15 percent increase.

CHAIRMAN CARACCILOLO:

Okay. Thanks for the verification. All right, so I'm going to make a motion to table 1261, second by Legislator Postal. All in favor? Opposed? Abstentions? Tabled.

TABLED RESOLUTIONS - PRIME:

I.R. NO. 1261 Adopting Local Law No. -2001, A Charter Law to stabilize real property taxes by optimizing use of the tax stabilization reserve fund. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 TABLED

CHAIRMAN CARACCILOLO:

1262 is there a motion? Motion to table by Legislator Postal, second by the Chair. All in favor? Opposed? Abstentions? Unanimous.

I.R. NO. 1262 Adopting Local Law No. -2000, A Charter Law to streamline Suffolk County 5-25-5 debt policy. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 TABLED

CHAIRMAN CARACCILOLO:

1264 same motion, same second -- amending section 719-6. You want some explanation? Oh, okay, okay, okay. Since it's 11:20, I think, we have plenty of time. Okay. All in favor of the tabling motion and a second? Opposed? Abstentions? Unanimous.

I.R. NO. 1264 Amending Section 719-6 of the Suffolk County Code. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 TABLED

CHAIRMAN CARACCILOLO:

Tabled Sense Prime Resolution 15-2001. Counsel, what is the status of matters with respect to -- not the President's proposed tax cut plan but the compromise, House and Senate version? Is that coming to a vote today or later this week?

MR. SABATINO:

The House passed its version at one point three five billion and the details are complicated.

CHAIRMAN CARACCILOLO:

Go ahead.

MR. SABATINO:

I don't know if you want the details but --

LEGISLATOR HALEY:

No, no.

CHAIRMAN CARACCIOLO:

No, no.

MR. SABATINO:

The Senate version is slightly different. It's going to be voted on today but with Senator Jeffers switching parties, I don't know.

LEGISLATOR POSTAL:

Motion to table.

CHAIRMAN CARACCIOLO:

Motion to table. Excuse me gentlemen? We have a motion to table. All in favor? Opposed?

LEGISLATOR ALDEN:

I'm opposed.

CHAIRMAN CARACCIOLO:

Opposed. You're in favor of tabling? Okay. It's tabled. Three, two vote.

TABLED - SENSE - PRIME:

-
Sense 15-2001 Memorializing resolution requesting United States Congress to enact Bush Tax Cut Plan. ASSIGNED TO FINANCIAL & FINANCIAL SERVICES (Legislator Allan Binder)

VOTE: 3-2-0-0 TABLED

CHAIRMAN CARACCIOLO:

Okay, maybe Legislator Haley is getting ideas, I don't know. 1453 I.R.

LEGISLATOR POSTAL:

Motion to approve and place on the consent calendar.

CHAIRMAN CARACCIOLO:

Motion to approve and place on consent calendar, seconded by the Chair. All in favor? Opposed? Abstentions? Approved unanimously.

INTRODUCTORY - PRIME:

-
I.R. NO. 1453 To readjust, compromise and grant refunds and charge-backs on correction of errors/County Treasurer By: County Legislature #130 ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 APPROVED PLACED ON CONSENT CALENDAR

CHAIRMAN CARACCIOLO:

1487 same motion. Oh no, explanation? I know the question.

LEGISLATOR POSTAL:

I have a question.

CHAIRMAN CARACCIOLO:

Does the resolution reflect the adjustment to contract agency cuts? Or the lack thereof?

MR. WEISS:

Yes.

CHAIRMAN CARACCILO:

It does. So the previously announced 5 percent contract agency cuts will no longer take place and a corrected copy reflects that?

MR. WEISS:

Well, first of all --

CHAIRMAN CARACCILO:

Is it 3 percent or 5 percent?

MR. WEISS:

Three percent.

LEGISLATOR CARACCILO:

Three percent.

MR. WEISS:

What this bill does, this is not our bill. This is a bill introduced by Legislator Crecca. What this bill does is actually --

CHAIRMAN CARACCILO:

It says County Exec on my copy.

MR. SABATINO:

That's a mistake. It's Legislator Crecca's bill.

CHAIRMAN CARACCILO:

Okay.

MR. SABATINO:

I think the other version --

CHAIRMAN CARACCILO:

That's where the confusion is then, okay. All right. So this is Legislator Crecca's bill? Okay. Counsel, could you explain the resolution then?

MR. SABATINO:

This is Legislator Crecca's bill, which deals with three million, four hundred thirty three thousand, two hundred and ninety five dollars of appropriations for equipment, supplies, travel and special services. The difference -- this strikes those appropriations. These are the same appropriations that the County Executive, I believe, has by virtue of the Administrative Code simply embargoed. The difference between striking and embargoing is that if you strike the appropriation, which this resolution does, it's no longer available at a later date as an offset for some other budgetary adjustment. If you don't pass this, the appropriations, which the County Executive has frozen, it's still available to be used as an offset. So that's the legal distinction between the two actions.

CHAIRMAN CARACCILO:

Okay. Legislator Postal.

LEGISLATOR POSTAL:

Yes. I saw this bill but I don't have it in front of me. Does this also impose those cuts and striking the appropriations for consultant fee's, such as those in --

MR. SABATINO:

The fees for services are part of it, yes.

LEGISLATOR POSTAL:

Would that -- I'm concerned about consultants in the Department of Health Services. Some of our physicians in the Department of Health Services are not County employees and they are paid on a fee for service basis and I think that there are some other positions in the Department of Health Services where the same thing is true. The person doesn't work for us but is paid on a fee for service basis. So I'm really concerned that if we do this, we could end up losing physicians at our Health Centers or losing other services of health care providers. I would like to have more information.

CHAIRMAN CARACCILO:

Did you want to speak Legislator Alden? Okay a motion to table. There's a motion to table. All in favor? Opposed? I'm opposed. Legislator Haley is opposed. So you've got three, two. The resolution is tabled.

I.R. NO. 1487 Implementing budget cuts for equipment, supplies, travel, special services and fees for services to partially offset sales and compensating use tax increase without property tax increase. ASSIGNED TO FINANCE & FINANCIAL SERVICES (Legislator Andrew Crecca)

VOTE: 3-2-0-0 TABLED

CHAIRMAN CARACCILO:

Okay, 1488 motion to approve by Legislator Postal, second by Legislator Haley. All in favor? Opposed? Abstentions? Unanimous approved.

I.R. NO. 1488 Authorizing the County Comptroller and County Treasurer to transfer funds from the Discretionary Budget to the Mandated Budget to cover costs associated with the Deputy Sheriff's Benevolent Association Agreement. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 APPROVED

CHAIRMAN CARACCILO:

1489 could we just get an explanation as to why there are two resolutions in for the Deputy Sheriff's Contract?

MR. WEISS:

Because we have a charter provision that requires a separate resolution for a discretionary expense and a mandated expense. So there's two separate resolutions.

CHAIRMAN CARACCILO:

What is the mandated expenditure in 1489?

MR. WEISS:

No, no, the mandated one was the one you just passed.

CHAIRMAN CARACCILO:

1488?

MR. WEISS:

Right.

CHAIRMAN CARACCILO:

Okay.

MR. WEISS:

That's the interpretation of prisoners and there's certain functions that Deputy Sheriffs have

that's on the mandated side of the budget.

CHAIRMAN CARACCILO:

Okay. 1489 then? Could you explain? This is the discretionary side?

MR. WEISS:

Yes, what we did, since we had the two contracts, we had the Deputy Sheriff's Contract and the Detective Investigator's Contracts. Those funds were budgeted in the contingency. The only way you can transfer money from a contingency into the salary lines is through a resolution and we prepared these resolutions.

CHAIRMAN CARACCILO:

Okay. Now, one of the issues that came up at the last committee meeting, which really was not discussed at the legislative meeting. When we adopted the Detective Investigator's Agreement was that the Budget Review report indicated it would be predicate on not all of the staff hirings in the D.A.'s Office to offset some of the cost associated with the agreement. Have we received any acknowledgment from the District Attorney that he's in agreement for doing that?

MR. WEISS:

I've already got a compromise with Fred and with the District Attorney's Office, so that half of the money will come out of the District Attorney's Budget. The cost of the contract was six hundred and five thousand. We're only taking three hundred thousand dollars from the contingency. The other three hundred and five thousand will come out of the District Attorney's Budget and he'll leave sufficient positions vacant in order to achieve those savings.

CHAIRMAN CARACCILO:

Very good. Okay, so does anybody have any questions? Okay. Motion to approve, second. All in favor? Opposed? Abstentions? Unanimous.

I.R. NO. 1489 Authorizing the County Comptroller and County Treasurer to transfer funds to cover the costs associated with contract agreements for the Deputy Sheriff's Benevolent Association and the Detective Investigators Police Benevolent Association. ASSIGNED TO FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 APPROVED

CHAIRMAN CARACCILO:

1457 on all these Non-Prime Resolutions, the Chair is going to make a motion, second by Legislator Postal to defer to prime, 1457, 1458, 1461, 1462, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76 and 77. I did that because I didn't know if they were all consecutive but they are. Motion and a second. All in favor? Opposed? Abstentions? Unanimous.

INTRODUCTORY - NON PRIME:

I.R. NO. 1457 Accepting and appropriating 100% Federal Grant Funds from the U.S. Department of Justice Local Law Enforcement Block Grant for the Career Criminal Task Force Program operated by the Departments of Police and Probation and authorizing the County Executive to execute grant related agreements. ASSIGNED TO PUBLIC SAFETY & PUBLIC INFORMATION AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1458 Accepting and appropriating 100% Federal Grant Funds from the U.S. Department of Justice Local Law Enforcement Block Grant for the Mentally II Offender Program and authorizing the County Executive to execute grant related agreements and creating new positions in the Department of Probation. ASSIGNED TO PUBLIC SAFETY & PUBLIC INFORMATION AND FINANCE & FINANCIAL

SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1461 Accepting a 75% grant award from the New York State Emergency Management Office (SEMO) and amending the 2001 Capital Budget and Program for improvements to Sewage Treatment Facilities in Suffolk County Sewer District No. 3 - Southwest (CP #8170) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1462 Appropriating funds for participation in engineering in connection with the reconstruction/widening of CR 83, North Ocean Avenue over the Long Island Expressway Exit 63 (CP 5849) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1463 Amending the 2001 Capital Budget and Program and appropriating funds in connection with improvements to the Police 800 MHz Radio Communications System (Huntington) (CP 3221) **ASSIGNED TO PUBLIC SAFETY & PUBLIC INFORMATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1464 Appropriating funds in connection with safety improvements at various intersections (CP 5035) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1465 Appropriating funds in connection with the reconstruction of CR 43, Northville Turnpike from Elton Lane to Sound Avenue, Town of Riverhead (CP 5035) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1466 Appropriating funds in connection with the intersection improvements to CR 19, Patchogue-Holbrook Road at Old Waverly Avenue, Village of Patchogue, Town of Brookhaven (CP 5040) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1467 Appropriating funds in connection with the intersection improvements on CR 16, Smithtown Boulevard at CR 93, Lakeland Avenue-Rosevale Avenue, Town of Smithtown (CP 5118) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1468 Appropriating funds in connection with the reconstruction of the Shinnecock Canal Locks, Phase IV, Town of Southampton (CP 5343) **ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)**

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1469 Appropriating funds in connection with the reconstruction of Culverts (CP 5471) ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1470 Appropriating funds in connection with the repair of Bulkhead at Quogue Canal, Town of Southampton (Capital Program Number 5374) ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1471 Appropriating funds in connection with a corridor study of CR 13, Fifth Avenue, Town of Islip (CP 5538) ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1472 Appropriating funds in connection with the reconstruction of CR 7, Wicks Road from C13, Fifth Avenue to CR 67, Long Island Motor Parkway (CP 5539) ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1473 Amending the 2001 Capital Budget and Program and appropriating funds in connection with the Rehabilitation of various bridges and embankments (CP 5850) ASSIGNED TO PUBLIC WORKS & TRANSPORTATION AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1474 Appropriating funds in connection with improvements at the main building of the Hard Estate ("Meadowedge") at West Sayville County Golf Course (CP 7510) ASSIGNED TO PARKS, SPORTS & CULTURAL AFFAIRS AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1475 Appropriating funds in connection with improvements to Historic Sites and Buildings at the Mary L. Booth House, Yaphank (CP 7510) ASSIGNED TO PARKS, SPORTS & CULTURAL AFFAIRS AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1476 Appropriating funds in connection with improvements to Historic Sites and Buildings at the Third House, Montauk (CP 7510) ASSIGNED TO PARKS, SPORTS & CULTURAL AFFAIRS AND FINANCE & FINANCIAL SERVICES (County Executive)

VOTE: 5-0-0-0 DEFER TO PRIME

I.R. NO. 1477 Appropriating funds in connection with planning for improvements to Historic Sites and Buildings at Blydenburgh County Park Historical District (CP 7510) ASSIGNED TO PARKS, SPORTS & CULTURAL AFFAIRS AND FINANCE &

FINANCIAL SERVICES *(County Executive)*

VOTE: 5-0-0-0 DEFER TO PRIME

CHAIRMAN CARACCIOLO:

Okay. That concludes the business before the committee. Is there a motion to adjourn?
Motion by Legislator Postal, second by Legislator Alden. All in favor? Opposed?
Abstentions? Right on time.

(The meeting was adjourned at 11:28 a.m.)